



**TWO SIGMA INTERNATIONAL
LIMITED**

Registered number: 06486331

2020

**SECTION 172(1) STATEMENT FOR THE
YEAR ENDED DECEMBER 31, 2020**

STATEMENT BY THE DIRECTORS OF TWO SIGMA INTERNATIONAL LIMITED IN THE PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH SECTION 172(1) COMPANIES ACT 2006

Section 172(1) of the Companies Act 2006 (the “Act”) states that directors of a company (each, a “Director” and collectively, the “Board”) must act in the way they consider, in good faith, would most likely promote the success of Two Sigma International Limited (the “Company”) for the benefit of its members as a whole, and in doing so have regard, amongst other matters, to:

- the likely consequences of any decision in the long term;
- the interests of the Company’s employees;
- the need to foster the Company’s business relationships with suppliers, customers and others;
- the impact of the Company’s operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

The Board collectively, and each Director individually, have acted, and will continue to act, in the way that they consider, in good faith, most likely to promote the success of the Company for the benefit of its sole shareholder, Two Sigma Investments, LP (“TSI”) as a whole while having appropriate regard to the Company’s various stakeholders and the other matters set out in the Act.

Oversight & Engagement

As part of their duty pursuant to the Act, the Directors have implemented an effective system of internal controls and management of the Company’s affairs, which protects both the interest of TSI and has regard to the interests of the other stakeholders. While the Directors are involved in running the Company through their role as senior managers of the Company and/or TSI, it is impractical for them to opine on or approve each and every decision. Accordingly, in order to ensure good governance, the Directors have delegated certain responsibilities to senior managers within the Company.

The Directors engage with the Company’s various stakeholders by ensuring they receive periodic reporting from, and regularly meeting with, a variety of groups, including the Company’s senior managers responsible for its primary business activities (Investor Relations and Engineering), Corporate Accounting, Legal & Regulatory (“L&R”) (including TSI’s Chief Compliance Officer) and Human Resources. Additionally, the Directors strive to ensure their engagement with the Company’s stakeholders remains substantial and meaningful by ensuring the composition of the Board reflects those stakeholders’ interests. The Directors have identified the stakeholders listed below.

The Sole Shareholder and the Group

The Company is a wholly-owned subsidiary of TSI, a closely-held non-public partnership that is registered as investment adviser with the U.S. Securities and Exchange Commission. The Company was established to support a range of business activities of TSI and its affiliates (collectively, the “Two Sigma Group”), including marketing funds and investment products of the Two Sigma Group, engaging with investors in the European/Middle East/Africa (“EMEA”) region, undertaking engineering activities that underpin the activities of the Two Sigma Group, and supporting other non-regulated activities (e.g., data acquisition) from within the EMEA region. The Directors have implemented a system of oversight over the operations and activities of the Company to ensure, among other things, that TSI is treated fairly and its interests, as well as those of the broader Two Sigma Group, remain appropriately prioritized, including by ensuring its activities are in compliance with applicable laws and regulations, capital is deployed efficiently, and the business interests of TSI and the Two Sigma Group are facilitated, in each case, giving due consideration to the other stakeholders.

Employees

The Directors recognise that employees are fundamental to the Company's long-term success. Consistent with this recognition, the Directors strive to foster a work environment that promotes professional development, meaningful professional opportunities and safety. The Directors ensure they are apprised of significant developments in each of these areas, on at least a quarterly basis, by requiring Board reports on various aspects of the Company's activities over the prior quarter, including receiving a general office update, employee-oriented initiatives (including developments in respect of recruiting), and material human resources developments. The health, safety and well-being of the Company's employees is one of the primary considerations in the way the Company conducts its business, including ensuring that the Company's business continuity and disaster recovery plan remain current, and the Directors have proactively discussed return-to-office protocols and timing in relation to the COVID-19 pandemic.

Financial Conduct Authority

The Directors recognize they have a duty to ensure that the Company maintains the highest standards of conduct in its regulated (and non-regulated) activities, with particular emphasis on its compliance obligations in connection with its Financial Conduct Authority (“FCA”) permissions. The Directors ensure they are apprised of significant developments in relation to its regulatory obligations, on a regular basis, by requiring updates from the senior manager of its Investor Relations team and the L&R professionals responsible for oversight of the Company's activities to ensure that the Company's activities are compliant with applicable FCA requirements and the legal regimes where its activities constitute regulated activities, and are apprised of significant legal and regulatory developments.

Key Decisions

The Directors have identified the following key decisions.

In determining the amount of the dividend distribution in respect to the Company's results for FY2020 and the Company's default dividend policy, the Directors considered a range of factors. These include the current financial position of the Company and TSI, the projected financial condition of the Company and TSI, as well as the need for the Company's capital improvement projects as well as its current and future regulatory capital requirements.

Throughout the COVID-19 pandemic, the Directors closely monitored and actively discussed developments in the disease's progression through the local community, government restrictions, as well as the impact of the disease on the Company's operations and employees' well-being. The Directors also remained actively involved in the Company's work-from-home and return-to-office policies and procedures, keeping the health, safety and mental well-being of the Company's employees front of mind in order to ensure the Company's policies remained appropriately aligned with both those of the Two Sigma Group and UK Government guidance.

This Section 172 statement was approved by the Board and signed on its behalf.

Two Sigma International Limited

Malcolm Carruthers

12/29/2021

Date: _____